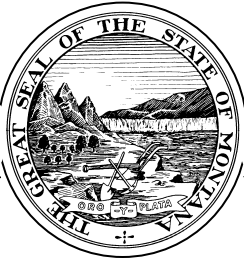


DEPARTMENT OF ADMINISTRATION
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



BRIAN SCHWEITZER
GOVERNOR

ANNIE M. GOODWIN
COMMISSIONER

STATE OF MONTANA

301 SOUTH PARK, SUITE 316
Helena, MT 59601

CSBS ACCREDITED 2004
(406) 841-2920
(406) 841-2930 FAX

NEWS RELEASE

Contact: Annie M. Goodwin, Commissioner
Division of Banking and Financial Institutions
(406) 841-2920
angoodwin@mt.gov

FOR IMMEDIATE RELEASE

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**Residential Mortgage Lender Licensing Available Online
- Montana Residential Mortgage Lender Licensing Act effective October 1, 2008 -**

HELENA, MONTANA – The Montana Division of Banking and Financial Institutions has announced that the residential mortgage lender entity and branch applications are available online. The applications can be accessed through the Division's mortgage lender webpage at <http://banking.mt.gov/mortgagelender.asp>.

This new licensing requirement was created by the Montana Residential Mortgage Lender Licensing Act (Act), which was signed into law by Governor Brian Schweitzer on May 3, 2007 as part of House Bill 69. The Act requires persons or business entities engaged in the business of making Montana residential mortgage loans to be licensed effective October 1, 2008.

The Act requires the licensing of business entities as well as any branch offices that will be engaged in making Montana residential mortgage loans. Licenses will be renewed annually and will expire on September 30. A complete list of all required application materials is available online at the Division's website at <http://banking.mt.gov/mortgagelenderlicensing.asp>.

"This Act serves to protect Montana borrowers who engage in residential real estate transactions," said Annie M. Goodwin, Commissioner of the Montana Division of Banking and Financial Institutions. "It provides for the licensing and regulation of residential mortgage lenders at a time when this oversight is necessary to ensure the stability of the lenders doing business in Montana."

Mortgage lender entity applicants are required to submit the required entity application along with a fee in the amount of \$750.00. The applications must also include a \$50,000 surety bond, copies of corporate documents and filings, audited financials, and personal financial statements and criminal background checks for all individuals listed within the "direct owners and executive officers" and "indirect owners" sections of the online entity application. Each individual subject to the criminal background check must complete an authorization and release form and submit the background check processing fee in the amount of \$29.25.

Mortgage lender branch applicants are required to submit the required branch application along with a fee in the amount of \$250.00. The applications must also include a \$5,000 surety bond, copies of corporate filings, and personal financial statements and criminal background checks for any individual listed as the "Branch Manager" within the online branch application. Each individual subject to the criminal background check must complete an authorization and release form and submit the background check processing fee in the amount of \$29.25. Branch applications will not be issued until the approval of the entity operating the branch.

Financial institutions defined within the Act as state, national or federal banks, savings banks, saving and loan associations, credit unions and trust companies are exempt from the provisions of the Act. This exemption also applies to operating subsidiaries of these financial institutions. Further exemptions are also outlined in 32-10-207, MCA.

The Act provides the Division authority to perform on-site examinations, which would include a review of a lender's books, records and loan files. This law affords the Division the ability to investigate consumer complaints and violations of the Act. It also allows the Division to issue cease and desist orders, to issue subpoenas, to suspend or revoke licenses and to impose civil penalties not to exceed \$10,000.00 for violations of the Act.

The Division of Banking and Financial Institutions (Division) is the regulator for all Montana state-chartered banks, state-chartered credit unions and non-depository financial institutions, which include residential mortgage lenders, consumer loan and sales finance companies, mortgage brokers and loan originators, title lenders, deferred deposit lenders, escrow businesses and business and industrial development corporations. It is the mission of the Division of Banking and Financial Institutions to protect Montanans by regulating state-chartered and licensed financial institutions under its supervision. For more information please contact the Division at (406) 841-2920 or visit <http://banking.mt.gov>.